

DEPARTMENT OF HEALTH SERVICES

14744 P STREET
SACRAMENTO, CA 95814



April 21, 1983

To: All County Welfare Directors

Letter No. 83-29

MEDI-CAL-ONLY EARNINGS CLEARANCE SYSTEM (ECS)

This letter provides information on the current status of the Medi-Cal-Only ECS.

Background

The Department of Health Services (DHS) was mandated by Assembly Bill (AB) 251 to utilize the ECS for the Medi-Cal-Only population. ECS is a system designed to verify earned income amounts reported by beneficiaries. Department of Social Services (DSS) has been utilizing the ECS for years in their AFDC cash programs.

Prior to implementing a statewide Medi-Cal-Only ECS, the Department first ran a pilot project in Ventura and Yuba Counties. The purpose of the pilot was to evaluate the cost effectiveness of the system and prepare for a statewide implementation. The pilot was completed in June 1982 and analysis of the findings showed the project to be cost effective. In addition, and more importantly, the pilot counties reported an increased number of beneficiaries voluntarily reporting increases in earned income.

Medi-Cal-Only ECS

ECS is designed to verify that the beneficiary is fulfilling his/her income reporting requirements. This will be accomplished by delivering to the county welfare departments income information that is obtained from the Employment Development Department (EDD). The counties will compare this information with the income data maintained in the beneficiary's case record and take appropriate action if it is determined that an overpayment was made.

County welfare departments will not be required to supply DHS with earnings information for current Medi-Cal-Only eligibles.

As soon as the ECS process is finalized, counties will be sent information describing the systems process and the procedures counties will follow in resolving earnings discrepancies. It is anticipated that the first listing generating ECS information will be mailed in June 1983.

County Administrative Expense Claiming

County welfare departments will be reimbursed for performing Earnings Clearance. Funding for this process will be discussed in more detail when the final ECS procedures are published.

All County Welfare Directors

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Should you have any questions regarding the ECS, please contact Karla Gurley of my staff at (916) 445-1912.

Sincerely,

ORIGINAL SIGNED BY

Jo Ann Wray
Acting Deputy Director
Health Care Policy and
Standards Division

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants